



0000045256

Arizona Corporation Commission
ARIZONA CORPORATION COMMISSION
1200 West Washington
Phoenix, AZ 85007

DOCKETED

JUL 26 2002

July 26, 2002

DOCKETED BY	CAL
-------------	-----

RECEIVED

2002 JUL 26 A 11:02

AZ CORP COMMISSION
DOCUMENT CONTROL

Regarding the Red Rock Water CoOp, Docket # 04052A-01-0794

Please accept this as my response to the brief filed by the Red Rock Water CoOp.

My concerns here are primarily twofold: 1) that the Board of the Red Rock Water CoOp has not conducted itself in a professional manner as members of a corporation that is accountable to the members it serves and thus do not deserve to be adjudicated. And 2) the Board has failed to provide specific financial details as to the reason/s for assessments and rate increases.

With regard to point #1, the Board of the CoOp, (which until recently with the election of Chuck Coulter as President) has been comprised exclusively of members of the Elmer family, and has been in a position of complete control of the provision of water to a large portion of the neighborhood. When I moved here six years ago, there were at least a dozen homes being served by the CoOp's well. In fact, the CoOp served enough homes to have had to come under the jurisdiction of ADEQ and yet the Board claims they had no knowledge of this. Please note that at that time, a member of the Elmer family by marriage was actively involved in running the CoOp and that he worked for Arizona Water. By virtue of the nature of his job, he should have been aware of and informed the Board of this.

I bought my home from the above-mentioned man and his wife and I discovered that he had been receiving free water. Again, the Board claimed that they had no knowledge of this. In fact, Steve Holland said to me that he would not say anything about this and then later denied this in the first meeting the CoOp had with the Corporation Commission and ADEQ. This was a blatant lie and I have often wondered whether other members of the Board and/or Elmer family have received free water and what other untruths have been told.

From what I understand, members of the CoOp at one time did not pay for the water they received. A flat monthly fee was then levied and ultimately, water meters were installed. These changes occurred over a period of years before I moved to the neighborhood. One of the members who objected to one of the Board's decisions was Susan Kliwer who has since drilled her own well. She claimed that the rates were changed by the Board with no vote from the members and in protest, she would not pay the increase. I urge you to contact her for confirmation; her phone number is: 928/ 282-4612.

Because of the inevitable maintenance and cost of replacement of worn mechanical parts associated with operating a well, it appears that the Board has not planned ahead financially. If they wanted to continue to serve their members as water providers, then they should have budgeted for the certainty of future costs. Rather than offer free water to CoOp members, a reserve fund should have been initiated years ago to provide a financial "cushion" for these repairs. This represents poor financial planning and judgment on the part of the Board. If parents want their children to go to college, they don't start saving for this future expense when their offspring are in high school!

After the initial meeting with the Corporation Commission and ADEQ in the Fall of 1998, two new wells were drilled in the area served by the CoOp. This was in direct response to the information brought up in the meeting and had nothing to do with "helping" the CoOp come into compliance with ADEQ, as Jay Elmer explained to one of my neighbors. These people spent a great deal of money because they were not happy with the CoOp and the actions of the Board. Again, I urge you to contact these former CoOp members for information. They are: Jim Miner (928/ 282-2335) and John Villegas (928/ 282-4098) who share one well, and Michael Kempe (his phone # is unpublished) and Earl Young (928/ 282- 1207) who share another. In doing this, I would like to show that I am not the only person who has had difficulties with the Board of the CoOp.

FACT: Jay Elmer threatened to shut my water off just before the ADEQ/Corporation Commission meeting in the Fall of 1998 because I would not let him on to my property to "fix" the free water.

FACT: Kay (Elmer) Holland told me to "shut up" when I verbally asked her a question to which I had not received an answer in writing.

FACT: At the last Board meeting, when I attempted to get a straight answer from the Board as to the exact amount of the costs of repairs to the well last summer and after I had sent letters requesting this information, I was told I was being "disruptive".

FACT: Little to no attempt is made to contact CoOp members by phone beforehand whenever the well has to be shut down for servicing. This was particularly evident last summer when there were days when the water was off sometimes as often as twice a day.

FACT: With regard to the statement by Jay Elmer dated 7/11/02: when I purchased my property, I never received any documentation from the CoOp or the former owners concerning the CoOp and the responsibilities of that relationship. Historically, this represents a divergence from the tradition of presenting new CoOp members with the necessary information about their water source.

Also, Jay states that I backed over a water hydrant. This is absolutely ridiculous, as there are no water hydrants on my street!

Again, for the record, the person who initiated contacting the Corporation Commission was John Villegas who has subsequently broken away from the CoOp by drilling a well he now shares with his neighbor, Jim Miner.

Finally, the Board chose to retain legal counsel of its own volition without a member vote. They also chose to spend CoOp money to rent conference rooms to hold a series of meetings. And, although the Board will dispute this, I do not recall any member vote being held for incorporation of the CoOp.

FACT: Kay Holland has only recently begun to provide CoOp members with regular financial statements. This was not her practice until the Corporation Commission became involved with the Red Rock Water CoOp.

Additionally, I have never seen any documentation that the water is being tested on a regular basis.

In summation, these behaviors represent a lack of courtesy, professionalism and good financial judgment on the part of the Board members. At least 5 people in this neighborhood who could afford to drilled their own wells not because they were happy with the CoOp, but because they wanted to be independent of them.

The Board wields a great deal of power over the members because they control their source of water. In the past, they have made decisions without consulting the members for a vote. They have not planned ahead financially for the cost of inevitable repairs. They claimed to have no knowledge of free water and of ADEQ regulations. They still have not provided a documented summary of the cost of repairs to explain the amount of the assessments and the rate increases. The poorly written explanation contained in the letter of 9/2001 is vague and non-specific (my point #2).

I believe that the CoOp Board should not have the right to adjudication based on this evidence. Had their actions and behavior been honest and forthright, I would not be writing this.

I would like to include a letter from another neighbor who is not associated with the CoOp but who has had difficulty with the Elmers over an issue of zoning. This letter will help attest to the character of the people I have been describing. Members of this family will stop at almost nothing to get what they want. Psychologically, despite the fact that they have sold the land they homesteaded, they continue to attempt to dominate the neighborhood with lies and threatening behavior.

Please accept this document as "EXHIBIT A": letter from Rygh Westby regarding the Elmers. If you wish to contact Mr. Westby, his phone # is: 928/ 204-6416.

I believe this will help demonstrate the type of people I have been up against for nearly four years. I do not believe that people who behave in such a manner should be given free rein with regard to providing water to neighbors, *whether or not they are a public service corporation or not*. Please take the time to contact the former CoOp members I have listed here for their input. I believe they will further help to substantiate my points.

I think most of the people who live in this neighborhood are basically afraid of the Elmers and what they will do. In order not to anger them, most folks will go along with whatever suggestions are made so as not to "rock the boat" and suffer any possible retaliation in the form of loss of water or, in Rygh's case, a petition filed with the County against his request for a special use permit.

In summary, I strongly urge the Arizona Corporation Commission to rule against adjudication for the Red Rock Water CoOp. I do not believe that people who lie, threaten and misrepresent the truth deserve the right to operate a neighborhood well independently regardless of whether they claim they are not a public service corporation.

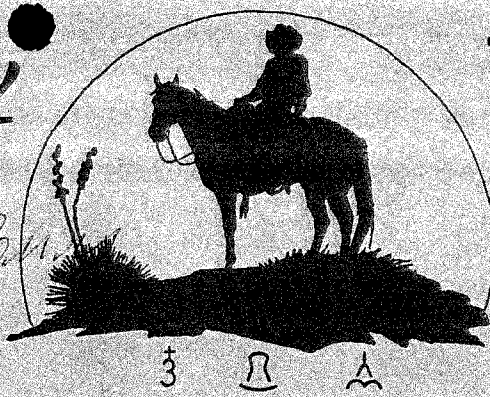
Sincerely,

A handwritten signature in cursive script that reads "Deborah A. Dobson". The signature is written in dark ink and is positioned above the typed name and address.

Deborah A. Dobson
375 Mockingbird Lane
Sedona, AZ 86336
928/ 282-2550

Westby

Ranch



AZ CORPORATION COMM.

6-13-05

DEAR SIRs:

I AM WRITING ON BEHALF OF OUR NEIGHBOR, DEBBIE DOBSON. I AM AWARE THAT HER CHARACTER IS BEING IMPUGNED BY THE ELMER FAMILY CONCERNING A WATER COMPANY MATTER. LET ME LIST A FEW FACTS WHICH I WILL BE HAPPY TO DOCUMENT IF YOU WISH.

SOME OF MY EXPERIENCES AS A NEIGHBORING LANDOWNER TO THE ELMERS ARE:

- 1) PREVIOUS TO 1987 THE SMITH FAMILY WHO OWNED MY PROPERTY AT THE TIME, WERE ON THE ELMER COMMUNITY WELL. SOME DISPUTE AROSE AND THE ELMERS CUT OFF WATER TO IRA + ELSIE SMITH, AN ELDERLY COUPLE WHO WERE BOTH IN POOR HEALTH. THE SMITHS WERE FORCED TO DRILL THEIR OWN WELL.
- 2) MY WIFE + I OPERATE A SMALL HORSE TRAINING STABLE BY SPECIAL USE PERMIT. THE ELMERS OF COURSE OPPOSED THE RENEWAL LAST JUNE (2001) OF OUR PERMIT. THEY FELT NO QUALMS ABOUT PRESENTING TO THE COUNTY COMMISSIONERS A PETITION WHICH CONTAINED THE NAMES OF MINORS, NON-RESIDENTS, AND NAMES OF PEOPLE WHO WERE OTHERWISE UNAFFECTED OR NOT —

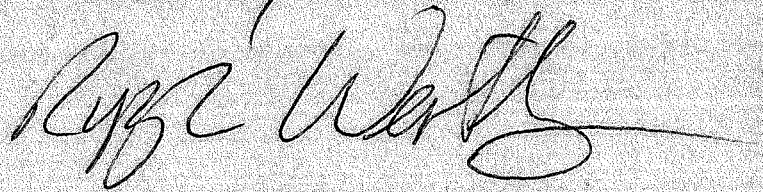
ELIGIBLE TO BE INCLUDED ON SUCH A PETITION.

- 3) DURING THE HEARING FOR OUR PERMIT RENEWAL, MEMBERS OF THE ELMER FAMILY OPENLY LIED ABOUT US AND OUR OPERATION. COUNTY STAFF, TWO OF WHOM HAD VISITED OUR RANCH PRESENTED TESTIMONY + PHOTOS TO THE CONTRACTOR AND THE ELMERS AGAIN STATED THEIR FALSE ACCUSATION.
- 4) JAY EDWARD ELMER, WHO OFTEN ACTS AS SPOKESPERSON FOR THE FAMILY SEEMS TO HAVE A PENCHANT FOR PICKING ON WOMEN. IN ADDITION TO HIS BULLYING OF MS. DOBSON, SEVERAL YEARS AGO HE CAME DANGEROUSLY CLOSE TO HITTING TWO WOMEN FROM OUR BARN WITH HIS TRUCK. THE WOMEN (ONE WAS 88 YRS OLD AT THE TIME AND THE OTHER HANDICAPPED) WERE RIDING ALONG THE ROAD ON FOREST SERVICE LANDS NEAR OUR STABLE. ELMER PASSED TOO CLOSE + TOO FAST. THE YOUNGER WOMAN YELLED AT HIM TO SLOW DOWN, HE DID. HE THEN BACKED UP AND PROCEEDED TO THREATEN THE WOMEN. HE TOOK OFF BUT THEN PERSUED THE WOMEN OFF ROAD FOR A SHORT DISTANCE, GOT OUT OF HIS TRUCK AND CHEWED THEM OUT AGAIN. I URGED THE WOMEN TO REPORT THE MATTER TO THE SHERIFF OR FOREST RANGERS BUT THEY DID NOT.
- 5) ON CHRISTMAS DAY OF 2001, ONE OF THE YOUNGER ELMER WHILE DRIVING ACROSS MY PROPERTY, PURPOSELY TRIED TO RUN ME DOWN WITH HIS CAR. I DID CALL THE SHERIFF.

→

THIS SHOULD GIVE YOU SOME INSIGHT INTO WHAT MR. DOBSON IS UP AGAINST. IF YOU WANT TO BELIEVE THE ELMERS, THAT'S YOUR BUSINESS. BUT IF YOU LET THEM BULLY A SINGLE WOMAN WITH LIMITED RESOURCES, IT'S ON YOUR CONSCIENCE. IT IS A SHAME THAT ONE FAMILY CAN HAVE SUCH A NEGATIVE EFFECT ON AN OTHERWISE TRANQUIL COMMUNITY. MY ADVICE IS, WHEN DEALING WITH THE ELMERS, WATCH YOUR BACK!

YOURS TRULY

A stylized, cursive handwritten signature that appears to read "Ryan Westby". The signature is fluid and somewhat abstract, with a long horizontal stroke at the end.

RYAN WESTBY